SmartBUY

By Floyd Groce

What is SmartBUY?

SmartBUY is a government-wide software enterprise-licensing project that leverages the buying power of the federal government. Its purpose is to consolidate the purchasing power of the federal government by focusing volume requirements to obtain optimal pricing and preferred terms and conditions. On June 2, 2003, the Office of Management and Budget (OMB) announced the SmartBUY initiative as part of the President's Management Agenda eGovernment Strategy. The goal is to better manage information technology (IT) resources and save money on commercial software that is generally acquired using license agreements with terms and prices that vary based on volume.

The General Services Administration (GSA) is the SmartBUY Executive Agent and performs SmartBUY contracting responsibilities. Near term efforts have focused on identifying best practices, conducting an agency survey to identify demand for software products, and convening interagency customer feedback sessions with the SmartBUY Team to facilitate sharing of requirements and information on current agency agreements.

The objective is to develop a government-wide process to acquire and manage software as an enterprise asset. The SmartBUY effort leverages the DoD Enterprise Software Initiative (ESI) resources and incorporates many ESI best practices. These practices have enabled the DoD to achieve over $1 billion in cost avoidance for commercial software products in the five-year life of the ESI. The ESI Team has been working closely with the SmartBUY project for several months and coordinated the initial SmartBUY commercial software survey response.

The DoD participation with SmartBUY is through the ESI Team. SmartBUY incorporates the concept of Software Asset Management (SAM). As defined by the DoD ESI, SAM is the process of proactively managing the software technology assets of an organization. It covers management of all processes, procedures, policies, technology, people, and partners/suppliers involved in the acquisition, delivery, deployment, maintenance, administration, management and final disposition of a software asset. The focus is on managing the software life cycle to not only reduce costs, but also to reduce liability exposure, improve software compliance, and better match usage with contract terms.

The ESI has launched a cross-Component Integrated Process Team (IPT) to implement SAM within the DoD and in each of the Defense Components. This includes defining and implementing enterprise processes, and developing Component-level implementation plans. The IPT reports through the DoD ESI Working Group to the DoD Business Initiative Council (BIC), a senior executive forum chartered by the Deputy Secretary of Defense to improve the efficiency of DoD operations and allow identified savings to be reallocated to higher priority efforts.

How does SmartBUY affect me?

SmartBUY does not mandate standard software products. As with the DoD ESI, customers are free to determine their own software requirements to best fit their mission and IT architecture — subject to their agency policy. However, if a customer selects a product or requires software maintenance for which a SmartBUY agreement has been negotiated, SmartBUY will become a mandatory source. SmartBUY policy is posted on the DoD ESI Web site at www.don-imit.navy.mil/esi. This policy provides the framework for migrating existing ESI Enterprise Agreements and other Component and Program specific license agreements to SmartBUY Enterprise Agreements. In the meantime, OMB has established policy to be followed by federal departments and agencies to ensure successful transition to SmartBUY. Specifically, federal agencies are to:

1. Develop a migration strategy and take contractual actions as needed to move to the government-wide license agreements as quickly as practicable, and

2. Integrate agency common desktop and server software licenses under the leadership of the SmartBUY Team. This includes refraining, to the maximum extent feasible, from renewing or entering into new license agreements without prior consultation with, and consideration of the views of, the SmartBUY team.

The GSA-led team is negotiating these enterprise licenses in close coordination and collaboration with federal agencies. The first SmartBUY agreements are planned to be in place by early fiscal year 2004.

How do I comply with SmartBUY policy?

DoD customers will continue to follow procedural guidance contained in Defense Federal Acquisition Regulation Supplement (DFARS) Subpart 208.74. Acquisition personnel must review and be familiar with available SmartBUY and DoD ESI Enterprise Agreements. Software procurement actions that either use existing ESI Enterprise Agreements or are coordinated through the ESI as part of a new agreement being negotiated will be considered as having satisfied the necessary OMB review requirements. Coordination for other targeted software acquisitions can be accomplished through the ESI Web site (www.don-imit.navy.mil/esi). From the "Contact the SPM" frame, select the "Send a requirements specification form" button. From the "Select Company" dropdown list, select "SmartBUY Reporting." Any new commercial software agreements must be flexible to permit migration to SmartBUY consistent with SmartBUY guidance and policy. Coordination with the SmartBUY Team is through the designated DoD SmartBUY points of contact identified in the implementation policy posted on the ESI Web site.

Information Technology in the federal government is big business estimated at over $58 billion in fiscal year 2003 alone. OMB estimates the federal government has more than 4 million desktop, laptop, and network computers using multiple commercial software products and projects savings in excess of $100 million annually using SmartBUY.

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